

# IMPERIAL COUNTY ECONOMIC FORECAST

Imperial County is located at the extreme southeastern edge of the state, adjacent to San Diego County. It is the home of the Salton Sea, the largest lake in California. Imperial County has a population of over 181,000 people, together with 55,700 wage and salary jobs. The per capita income in Imperial County is \$22,823, and the average salary per worker is \$39,921, both measures representing the lowest levels among all Southern California counties.

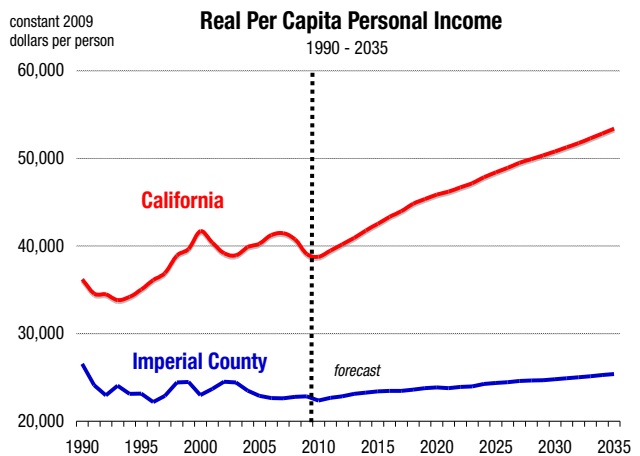
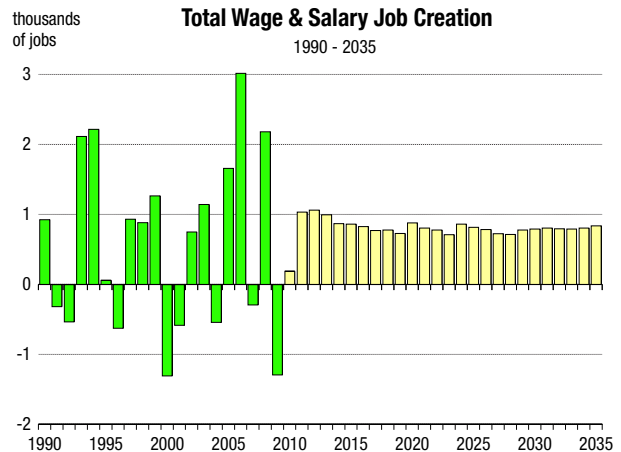
Economic growth in Southern California declined sharply in 2008 and 2009 and job losses were the largest on record. Last year 1,300 total jobs were lost in Imperial County, implying a growth rate of -2.3 percent. The non-farm growth rate was substantially worse at -3.8 percent. The unemployment rate increased to 30.2 percent in 2009. This high unemployment rate is due principally to the large farm sector which represents 20 percent of total employment in the county. Imperial County has the highest unemployment rate of any county in California.

The principal labor markets in Imperial County are farming, retail trade, and government. The latter accounts for 30 percent of total employment, and retail trade contributes another 12 percent of total jobs. In 2009, the public sector added 280 jobs, while the farm sector added nearly 420 workers. These gains were offset by 820 jobs lost in retail trade, 530 lost in leisure and hospitality, and 440 in construction.

Between 2008 and 2009, the population grew at a rate of 2.0 percent in Imperial County. The county has grown at nearly twice the rate of the state each year since the beginning of the decade.

## FORECAST HIGHLIGHTS

- Non-farm job growth is expected to be minimal in 2010, averaging 0.1 percent. From 2010 to 2015, the average annual non-farm growth rate rises 2.1 percent per year. Total wage and salary growth will be lower at 1.7 percent, due to flat employment in the farm sector.
- Average salaries adjusted for inflation are currently well below the California state average, and will remain so over the forecast horizon. Real average salaries rise by an average of 0.6 percent per year from 2010 to 2015.
- The sectors creating the most jobs between 2010 and 2015 will be transportation warehousing and utilities (880 jobs), retail trade (700 jobs), construction (660 jobs), and state and local government (650 jobs).
- The population will continue to grow at a subdued rate when compared with recent years. Annual growth in the 2010 to 2015 period averages 1.9 percent per year.

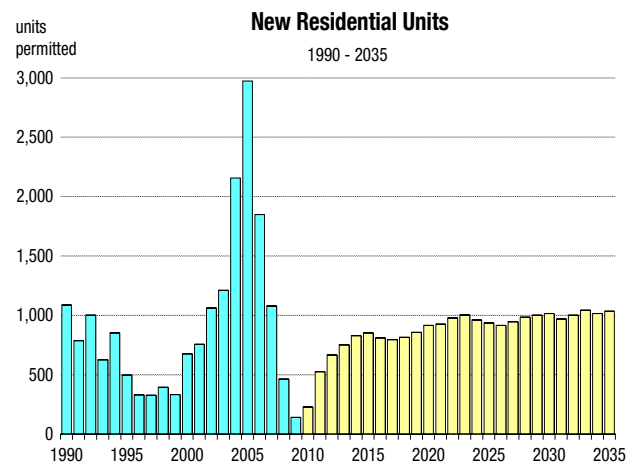
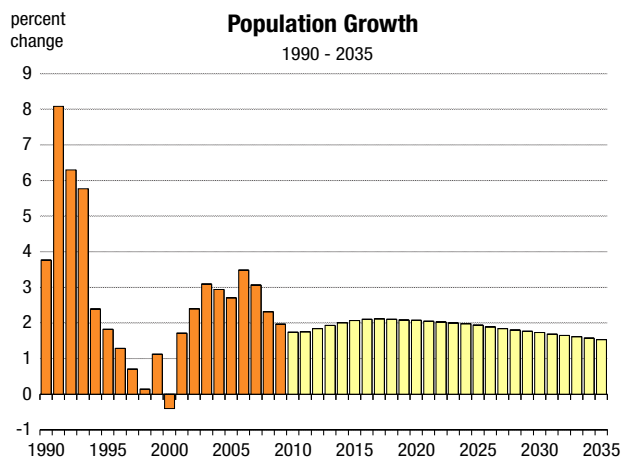


- Net migration increases during the 2010 to 2015 period, though it remains well below levels from the 2001-2010 decade. The forecast of net migration averages 770 people entering the county per year from 2010 to 2015.
- Real per capita incomes decline by 2.1 percent in 2010 as population growth outpaces income growth. An annual compound rate of growth of 0.9 percent is forecast from 2010 to 2015.
- Total taxable sales are expected to increase by an average of 3.2 percent per year between 2010 and 2015.
- Industrial production is expected to increase 2.9 percent in 2010 due to strength in manufacturing. From 2010 to 2015, the growth rate of industrial production is expected to average 6.2 percent per year.
- Farm production is forecast to decline by 1.0 percent per year between 2010 and 2015. The principal farm product in the county is cattle.

# Imperial County Economic Forecast

## 2002-2009 History, 2010-2035 Forecast

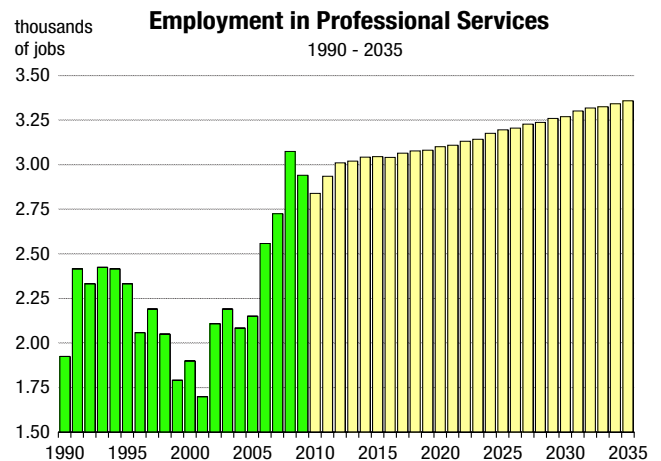
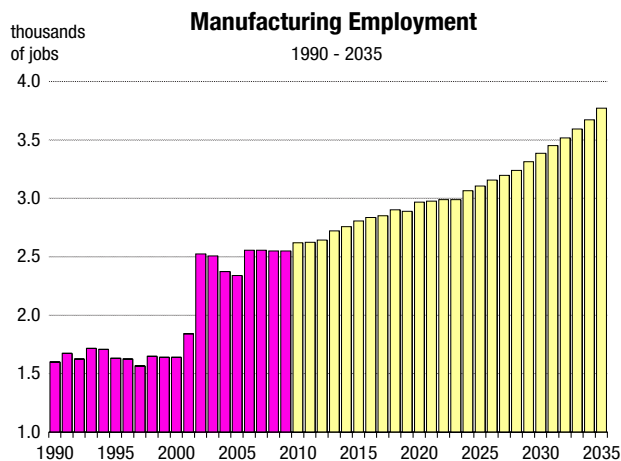
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2002	149,488	1,787	127.0	40.5	1,062	\$1.44	\$2.99	\$24,499	2.8	1.50	0.49	15.0
2003	154,112	2,724	128.9	41.4	1,211	\$1.53	\$3.15	\$24,408	2.6	1.28	0.53	15.6
2004	158,644	2,536	138.2	42.4	2,157	\$1.69	\$3.22	\$23,482	3.3	1.37	0.54	17.1
2005	162,940	2,152	140.4	43.7	2,974	\$2.00	\$3.37	\$22,898	4.5	1.35	0.56	16.1
2006	168,614	3,644	144.6	46.7	1,850	\$2.15	\$3.59	\$22,623	4.3	1.45	0.62	15.4
2007	173,790	2,989	145.0	49.0	1,079	\$2.25	\$3.82	\$22,615	3.3	1.43	0.61	18.0
2008	177,820	1,684	147.7	49.5	464	\$2.26	\$4.08	\$22,778	3.5	1.67	0.64	22.7
2009	181,315	978	147.8	50.1	142	\$2.18	\$4.14	\$22,824	-0.8	1.65	0.64	30.2
2010	184,473	516	151.8	50.8	229	\$2.07	\$4.20	\$22,352	1.8	1.70	0.65	33.8
2011	187,710	525	155.5	51.0	527	\$2.18	\$4.45	\$22,673	2.4	1.65	0.69	32.4
2012	191,165	667	159.1	51.5	668	\$2.32	\$4.66	\$22,825	2.2	1.62	0.73	30.1
2013	194,854	825	163.1	52.2	752	\$2.46	\$4.93	\$23,119	2.4	1.64	0.79	27.7
2014	198,766	973	166.9	52.9	829	\$2.58	\$5.17	\$23,245	2.3	1.62	0.83	25.1
2015	202,884	1,114	170.8	53.6	852	\$2.72	\$5.43	\$23,386	2.4	1.62	0.88	23.0
2016	207,148	1,207	174.6	54.4	811	\$2.86	\$5.69	\$23,464	2.3	1.60	0.93	21.5
2017	211,530	1,265	178.1	55.2	797	\$3.00	\$5.95	\$23,455	2.3	1.57	0.97	20.5
2018	215,979	1,308	181.7	55.9	814	\$3.13	\$6.25	\$23,583	2.3	1.57	1.02	19.7
2019	220,474	1,342	185.3	56.7	857	\$3.27	\$6.57	\$23,758	2.3	1.52	1.07	18.9
2020	225,048	1,411	188.6	57.5	915	\$3.43	\$6.88	\$23,838	2.2	1.54	1.14	18.2
2021	229,665	1,446	191.6	58.3	927	\$3.58	\$7.19	\$23,762	2.7	1.50	1.19	17.7
2022	234,321	1,490	194.8	59.2	979	\$3.72	\$7.58	\$23,890	2.8	1.47	1.25	17.1
2023	239,015	1,527	197.9	60.1	1,003	\$3.88	\$7.96	\$23,962	2.7	1.43	1.31	16.5
2024	243,747	1,567	201.2	61.1	962	\$4.05	\$8.42	\$24,248	2.5	1.44	1.38	15.9
2025	248,476	1,563	204.3	62.0	938	\$4.23	\$8.85	\$24,352	2.6	1.42	1.45	15.3
2026	253,176	1,541	207.5	62.8	915	\$4.40	\$9.29	\$24,450	2.7	1.42	1.52	14.9
2027	257,849	1,521	210.5	63.7	948	\$4.59	\$9.78	\$24,594	2.7	1.40	1.59	14.6
2028	262,503	1,517	213.2	64.6	985	\$4.79	\$10.26	\$24,627	2.9	1.38	1.66	14.2
2029	267,152	1,525	216.0	65.5	1,001	\$5.00	\$10.76	\$24,669	2.9	1.38	1.75	13.8
2030	271,783	1,523	218.9	66.4	1,017	\$5.21	\$11.30	\$24,769	2.8	1.38	1.84	13.4
2031	276,371	1,495	221.9	67.4	970	\$5.43	\$11.88	\$24,899	2.8	1.38	1.93	13.0
2032	280,929	1,475	224.9	68.3	1,001	\$5.66	\$12.48	\$25,014	2.8	1.37	2.03	12.8
2033	285,465	1,464	227.8	69.2	1,043	\$5.90	\$13.10	\$25,126	2.8	1.37	2.13	12.7
2034	289,961	1,438	230.7	70.2	1,015	\$6.15	\$13.75	\$25,249	2.8	1.37	2.24	12.7
2035	294,403	1,421	233.5	71.1	1,034	\$6.41	\$14.43	\$25,374	2.8	1.38	2.36	12.6

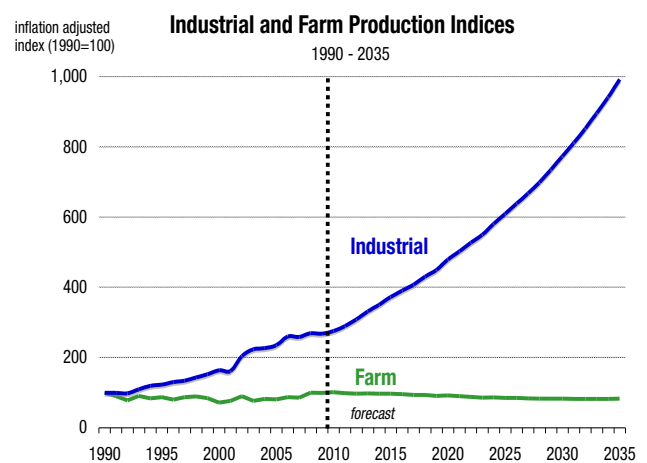
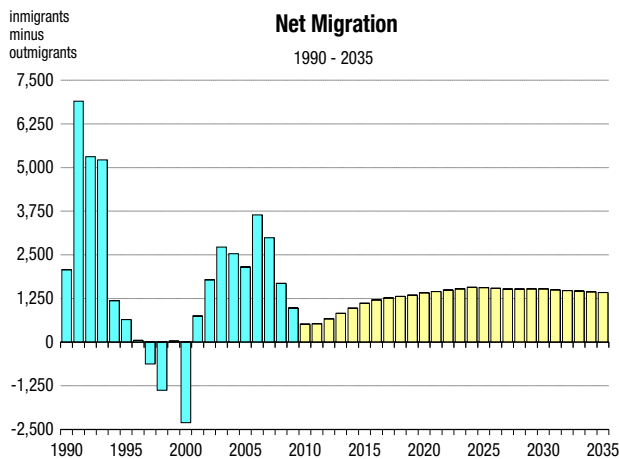
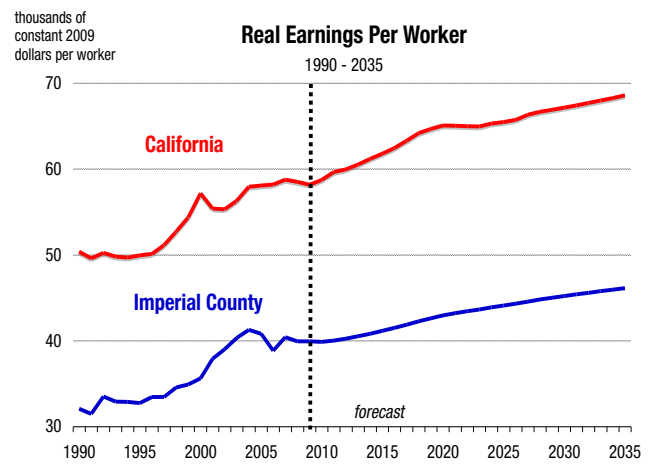
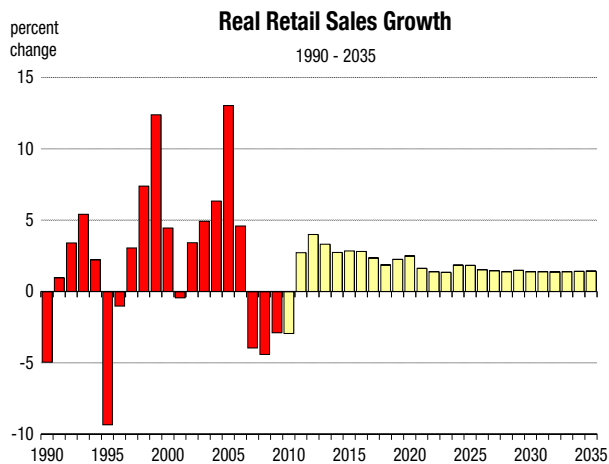


# Imperial County Employment Forecast

## 2002-2009 History, 2010-2035 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
2002	49.8	10.14	1.7	2.5	1.7	7.9	1.4	2.1	0.4	2.4	2.9	14.8
2003	51.0	10.78	1.6	2.5	1.9	8.2	1.4	2.2	0.4	2.5	2.7	14.9
2004	50.4	10.43	1.8	2.4	1.8	8.3	1.3	2.1	0.4	2.5	2.9	14.5
2005	52.1	10.57	1.9	2.3	1.8	9.0	1.3	2.2	0.4	2.8	3.1	14.9
2006	55.1	11.49	2.0	2.6	1.8	9.4	1.4	2.6	0.4	2.9	3.3	15.5
2007	54.8	10.09	1.9	2.6	1.8	9.4	1.4	2.7	0.4	2.9	3.5	16.1
2008	57.0	11.48	1.6	2.6	1.8	9.4	1.3	3.1	0.4	3.4	3.5	16.3
2009	55.7	11.90	1.1	2.6	1.6	8.3	1.3	2.9	0.4	3.5	3.0	16.6
2010	55.9	12.03	1.0	2.6	1.6	8.2	1.3	2.8	0.4	3.5	3.0	16.6
2011	56.9	12.08	1.2	2.6	1.8	8.3	1.2	2.9	0.4	3.6	3.2	16.7
2012	57.9	12.02	1.3	2.6	2.0	8.5	1.3	3.0	0.4	3.7	3.3	16.9
2013	58.9	11.99	1.5	2.7	2.2	8.7	1.3	3.0	0.4	3.8	3.4	17.0
2014	59.8	11.97	1.6	2.8	2.3	8.9	1.3	3.0	0.4	3.8	3.4	17.1
2015	60.7	11.94	1.7	2.8	2.5	9.0	1.3	3.0	0.4	3.9	3.5	17.3
2016	61.5	11.90	1.7	2.8	2.7	9.2	1.3	3.0	0.4	4.0	3.5	17.5
2017	62.2	11.82	1.8	2.9	2.8	9.3	1.3	3.1	0.4	4.1	3.5	17.8
2018	63.0	11.75	1.8	2.9	3.0	9.4	1.3	3.1	0.4	4.1	3.5	18.1
2019	63.7	11.66	1.8	2.9	3.2	9.6	1.3	3.1	0.4	4.2	3.6	18.3
2020	64.6	11.59	1.8	3.0	3.3	9.7	1.3	3.1	0.4	4.3	3.6	18.6
2021	65.4	11.53	1.8	3.0	3.5	9.8	1.3	3.1	0.4	4.4	3.6	18.8
2022	66.2	11.42	1.8	3.0	3.7	9.9	1.3	3.1	0.4	4.6	3.6	19.1
2023	66.9	11.28	1.8	3.0	3.9	10.0	1.3	3.1	0.4	4.7	3.6	19.4
2024	67.8	11.19	1.8	3.1	4.1	10.2	1.4	3.2	0.4	4.8	3.7	19.6
2025	68.6	11.13	1.8	3.1	4.2	10.3	1.4	3.2	0.4	4.9	3.7	19.9
2026	69.4	11.07	1.8	3.2	4.4	10.4	1.4	3.2	0.4	5.0	3.7	20.2
2027	70.1	11.02	1.9	3.2	4.5	10.5	1.4	3.2	0.4	5.1	3.7	20.4
2028	70.8	10.95	1.9	3.2	4.6	10.6	1.4	3.2	0.4	5.2	3.7	20.7
2029	71.6	10.90	1.9	3.3	4.7	10.7	1.4	3.3	0.4	5.3	3.7	20.9
2030	72.4	10.87	1.9	3.4	4.9	10.8	1.4	3.3	0.4	5.4	3.7	21.1
2031	73.2	10.85	1.9	3.5	5.0	11.0	1.4	3.3	0.4	5.5	3.8	21.4
2032	73.9	10.83	1.9	3.5	5.2	11.1	1.4	3.3	0.4	5.6	3.8	21.6
2033	74.7	10.81	1.9	3.6	5.3	11.2	1.4	3.3	0.4	5.7	3.8	21.8
2034	75.5	10.80	1.9	3.7	5.5	11.3	1.4	3.3	0.4	5.8	3.8	22.1
2035	76.4	10.81	1.9	3.8	5.6	11.4	1.4	3.4	0.4	5.9	3.8	22.3





## County Economic and Demographic Indicators

### Projected Economic Growth (2010-2015)

Expected retail sales growth:	16.7 %
Expected job growth:	8.6 %
Fastest growing jobs sector:	Construction
Expected personal income growth:	15.1 %

Expected population growth:	10.0 %
Net migration to account for:	22.3 %
Expected growth in number of vehicles:	12.6 %

### Demographics (2009)

Unemployment rate (December):	27.7 %
County Rank* in California (58 counties):	58th
Working age (16-64) population:	67.3 %

Population with B.A. Degree or higher:	10.7 %
Median Home Selling Price:	\$115,268
Median Household Income:	\$35,596

### Quality of Life

Violent Crime rate (2008):	270 per 100,000 persons
County Rank* in California (58 counties):	13th
Average Commute Time to work (2009):	21.3 minutes

High School drop out rate (2008):	13.0 %
Households at/below poverty line:	18.9 %

\* The county ranked 1st corresponds to the lowest rate in California